

4. Determine direct costs associated with each service, regardless of how it is funded
 - a. Salaries and wages
 - b. Fringe Benefits
 - c. Depreciation expense
 - i. CAUTION: don't include depreciation expense for equipment that is federally funded
 - d. Variable costs
 - i. Consumable Supplies
 1. Costs incurred for the purchase of supplies, materials, and fabricated parts to be used or consumed in the process of providing services or products. Examples include chemicals, media, lab supplies, data storage devices, etc.
 - ii. Other Expenses
 1. Laboratory fees; technical procedure fees; shipping; data storage; sample storage; gases; equipment maintenance charges such as calibration costs, repairs and certifications; contractual or license fees
5. Identify other costs associated with center operations
 - a. Salaries and wages
 - b. Fringe benefits
 - c. Utilities
 - d. Space
 - e. Repairs and Maintenance
 - i. Are other outside services needed?
 1. Calibration
 2. Certifications
6. Identify and segregate unallowable costs in accordance with the cost principles
 - a. Examples include (but not limited to)
 - i. Alcoholic Beverages
 - ii. Airfare in excess of coach
 - iii. Bad debt or uncollected billings
 - iv. Capital Equipment Purchase (depreciation is OK on federal equipment)
 - v. Donations, gifts and contributions
 - vi. Internal Interest
 - vii. Entertainment
 - viii. Fines or penalties
 - ix. Memberships
 - x. Unrelated food and beverage expenses
7. Develop a reasonable method to assign operating costs to each service
 - a. Use the measurement which allocates costs equitably among all users
 - i. By test?
 1. Number of samples?
 2. Test performed?
 - ii. By hour?
 1. Labor Hours?
 2. Machine Hours?
 - iii. What are your unit costs?

Keep in mind:
x